Disinvestment in IPCL

401. SHRI GURUDAS DASGUPTA:
SHRI JALALUDIN ANSARI:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Government have decided to disinvest Government equity in IPCL;

(b) if so, the details thereof;

(c) whether this decision is in violation of the recommendation of the Disinvestment Commission with respect to this company; and

(d) if so, the reasons for taking such a decision?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) to (d) Yes, Sir. The Government has, on the basis of the recommendations of the Disinvestment Commission, taken a decision to divest 25% equity along with transfer of management control in favour of a strategic buyer through the process of Global Competitive Bids. The final decision of the Government will be taken only after the ongoing process of disinvestment is completed. The Public Sector Disinvestment Commission is an advisory body and final decision on the recommendations of the Commission vests with the Government.

The Commission had, 'inter alia', recommended that, while prequalifying bidders, care should be taken to ensure that strategic sale does not lead to market dominance by any single player. At the time of consideration of the recommendations of the Commission, the only modification made was that it was not considered necessary to look into the dominance angle at that stage since petrochemical products are freely tradable.

Closure of FP & ARD of HFC

402. SHRI DIPANKAR MUKHERJEE:
SHRI NILOTPAL BASU:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have decided to close down Fertilizer Promotion and Agricultural Research Division (FP&ARD) under the Hindustan Fertilizer Corporation (HFC);

(b) if so, whether this has been part of any revival scheme formulated by BIFR where HFC stands referred; and

(c) if not, the reasons for such unilateral decision by Government?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) to (c) The comprehensive rehabilitation proposals for Hindustan Fertlizer Corporation Ltd. including its Fertilizer Promotion and Agriculture Research Division (FP&ARD) based on unitwise techno-economic viability are to be submitted to the competent authority in the Government and final sanction of Board for Industrial and Financial Reconstruction.

Revival plan for sick Chem Units

403. SHRI DIPANKAR MUKHERJEE:
SHRI NILOTPAL BASU:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government's attention has been drawn to the news-item under the caption "Prabhu sets deadline for revival plan for sick chem units" which appeared in the Observer dated the 9th November, 1999; and

(b) if so, Government's plans to revive Hindustan Fertilizer Corporation, unit-wise, Bengal Immunity and Smith Stanistreet Pharmaceuticals Limited?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) and (b) Hindustan Fertilizer Corporation Ltd., Bengal Immunity Limited and Smith Stanistreet Pharmaceuticals Ltd. have been referred to the Board for industrial & Financial Reconstruction (BIFR) in terms of the Sick industrial Companies (Special Provisions) Act, 1985. The future of these Companies, including revival, would be determined by the proceedings and the final decision of BIFR. It is not feasible to indicate a time schedule for the same.

Status of Indo-Oman Fertilizer Project

404. SHRI V.N. GADGIL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the present status of the Indo-Oman fertilizer project; and

(b) whether Government propose to abandon the project?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) and (b) Investment approval to Indian sponsors (KRIBHCO and RCF) was granted in December, 1997 by Government of India for setting up of an ammonia urea complex at Oman in joint venture with Oman Oil Company. A joint venture company, namely, Oman India Fertilizer Company SAOC (OMIFCO) Was formed and registered in the Sultanate of Oman in February, 1998. On account of the continuous and significant dip in urea prices in the international market, it was considered necessary to revise and restructure the project. The restructured project is under Government's consideration.